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November 22, 1945

SA/Mc: Mr. McCormack

Proposal to Request Continuance of FBI
Program in Other American Republics

At the request of Assistant Secretary Braden, I am transmitting this memorandum setting forth the urgent interest of the Department in continuation of the work of the Legal Attaches in the other American republics.

As you know, these Attaches, together with staffs and equipment, are maintained by the Federal Bureau of Investigation in our diplomatic missions in Latin America. The program was instituted in 1942 at the request of the Department and under directive of the President's delimitation agreement for the coordination of the Government's intelligence services. Because of lack of funds, the Bureau is closing out the entire program as of December 31.

During the war, the FBI through these Attaches worked in closest cooperation with our Chiefs of Mission in Latin American in the interests of national security. It is impossible to assess the contribution to victory of any individual or group, but there is no doubt that of the FBI in this field was vital. The carefully prepared Axis base of operations against the United States was nullified; espionage agents were identified; their means of communication were exposed. A total of 7000 individuals, many of them key figures in the German, Italian, and Japanese penetration of Latin America, were expelled from these republics. Information furnished by the FBI has been described as the largest single factor in establishing the Proclaimed List, our economic warfare arm in Latin American which deprived Germany of vital military materials and paralyzed the German hold on governments, businesses, and industries. Document after document bears out this estimate of the effectiveness of the FBI effort in the field.

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All of this activity, many phases of which are as vitally important today as at any time during the war, may stop.

Recall of the 166 agents, 99 clerks, and 17 radio operators making up the FBI layout in Latin America, as contemplated for the close of the calendar year, will seriously cripple the Department's political and economic intelligence facilities at a time we can ill afford it. It may be disastrous. In the field, it will deprive our Chiefs of Mission of highly trained officers and highly developed equipment upon which they depend for investigations of all kinds. In many cases it will deprive the police agencies of the Latin American republics themselves of technical assistance and liaison without which they may well find it impossible to keep anti-American activities under control. The removal of FBI radio equipment will leave most of our missions without means of communicating with Washington in event of disruption of normal service. It is being called to our attention by some seriously apprehensive Chiefs of Mission that with political upheaval pending this danger in some places is daily growing more acute.

Evidence of revival of German influence in Argentina, Chile, Brazil and some other countries is too plain to ignore. There is serious danger that we may default our hard-won advantage in the southern part of the Hemisphere by abruptly relaxing our efforts. This is a real possibility. The battle lines were laid in this field before Pearl Harbor and some of them will be strongly held for a long time to come. Our position in Argentina is hardly more than a beachhead. In Brazil, German and other anti-democratic forces are making a desperate bid to salvage their pre-war economic position, and with it political power. These are not the internal affairs of Latin American republics. They are the serious concern of the democratic world.

The German bid for domination of Latin America has been spectacular but it has not been the only bid from outside this Hemisphere. Latin America literally swarms with agents and influences which from the standpoint of mutual security of the Americas bear the closest watching and the most competent professional analysis.

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Before the Legal Attaches are withdrawn from this area, the Department must have supplanted them with its own competently trained and seasoned personnel. It is impossible to do this on short notice, if at all. Neither the Department nor any other branch of the Government has the men or the facilities necessary to do this job.

The Chiefs of Mission in Latin America are acutely aware of the dangerous position in which withdrawal of the FBI will leave them. Most of them have expressed themselves vigorously, asking the Department to spare no effort to secure the continuance of the program now in operation.

I have been the Department's liaison with FBI and the Government's other intelligence agencies for five years. In my experience, no coordination has been achieved in the intelligence field to compare with that of the FBI and the Department of State in the field of Latin American intelligence. No Bureau men have gone to their posts without specific instructions from the Department and thorough briefing. There has never been a serious complaint of embarrassment to this Government abroad that could be charged to any one of these men. Their record of cooperation is unique.

It is imperative that they be retained at their jobs. It is the consensus in the Department and in the field that their withdrawal would be foolhardy and might invite the gravest consequences.

/s/ F. B. Lyon

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